

April 8, 2009

Ms. Bernadette McGuire-Rivera
Associate Administrator
Office of Telecommunications
and Information Applications
National Telecommunications
and Information Administration
U.S. Department of Commerce
1401 Constitution Ave., N.W.
Washington, D.C. 20230

Mr. David P. Grahm
Associate General Counsel
U.S. Department of Agriculture
Rural Development
Room 2017
Mail Stop 1423
1400 Independence Avenue SW
Washington, DC 20250-3201

RE: BROADBAND STIMULUS PROGRAMS
(Docket No. 090309298-9299-01)

Dear Ms. McGuire-Rivera and Mr. Grahm:

Global Crossing submits this letter to urge the National Telecommunications and Information Administration (“NTIA”) and the U.S. Department of Agriculture (“USDA”) to establish a process that matches parties interested in deploying middle-mile broadband facilities with parties interested in deploying last-mile broadband facilities so as to avoid purely speculative (and potentially wasteful) investments in broadband facilities and optimize the effectiveness of the Broadband Technology Opportunities Program (“BTOP”) administered by the NTIA and the rural broadband grants and loan program administered by the USDA.

In laying out the goals of the BTOP program, Mark G. Seifert, Senior Advisor to the Assistant Secretary of NTIA, stated:

“First, we want to create jobs.”

“Second, we want to begin to close the broadband gap in America. **We, therefore, want to extend high-capacity pipes closer to users in rural, remote, and underserved communities. As Congress has instructed, other entities will be able to connect to those pipes, which will spur competition and get service to people and businesses.**¹

The high-capacity pipes referred to by Mr. Seifert are commonly known as “middle-mile” facilities that connect rural carriers to the Internet. Typically, these middle-mile facilities are the sole connection available to the Internet and can span literally hundreds of miles. Not surprisingly, the cost of these facilities is exorbitant and inhibits the growth of broadband speed and capacity in the last mile.² It is fair to say that until there is a likelihood that middle-mile links will be available, it is difficult or impossible to deploy last-mile facilities in unserved and underserved areas. This is especially true for those areas where middle-mile facilities comprise the majority of costs associated with broadband deployment.

Global Crossing is a Tier 1 Internet backbone operator with substantial investment in telecommunications networks here in the United States and around the world. As the only Tier 1 Internet backbone operator with end to end IPv6 implementations as well as an ability to run legacy IPv4 dual stack we are also well poised to provide enhanced security and functionality to all middle/last mile facilities and the end users served by them. By providing training, education and experience on the more advanced IPv6 platform we can also contribute directly to Administration goals of training the workforce on technologies of the future. We are eager to make investments in middle-mile facilities in support of last-mile broadband efforts. Indeed, Global Crossing is currently working with existing rural carriers to identify potential middle-mile routes that would be eligible to receive funds under the BTOP and rural broadband grant and loan programs. However, our efforts appear limited to providing improved access to broadband in underserved areas of the United States rather than providing broadband access to unserved areas.

¹ Testimony of Mark G. Seifert before the House Subcommittee on Communications, Technology, and the Internet; Hearings on “Oversight of the American Recovery and Reinvestment Act of 2009: Broadband”, April 2, 2009.

² See, e.g., Hearings before the House Subcommittee on Communications, Technology and the Internet; “Universal Service: Reforming the High Cost Fund,” March 12, 2009. Testimony of Tom Tauke, Executive Vice President, Public Affairs, Policy and Communications, Verizon Corp. “We urge you to consider a separate, temporary subsidy program that would promote broadband deployment by supporting the “middle mile” transport costs some broadband providers face in high-cost areas.” Testimony of Gregory Hale, General Manager, Logan Telephone Cooperative, Inc. See also, *See NECA Middle Mile Cost Study Executive Summary*, www.neca.org/source/NECA_Publications_1154.asp.

In order to provide access to broadband service to consumers residing in unserved areas of the United States, Global Crossing would have to deploy middle-mile facilities on a purely speculative basis. This is because it is unknown at this time if any entity is willing to invest in last-mile broadband facilities in unserved areas. The conundrum – or “chicken and egg” problem – is that entities based in the unserved areas aren’t willing to deploy last mile broadband facilities because they do not know if anyone will make available reasonably priced middle-mile facilities. The problem for Global Crossing and companies like us is that identifying potential partners in unserved areas is by definition a logical impossibility because the areas are unserved. (In underserved areas there are broadband providers already serving consumers to some extent and thus easily identifiable.) But in unserved areas there are no existing broadband providers and it is impossible to know who is willing to make such synergistic or mutually dependent investments

Hopefully the application process will reveal entities willing to make such investments, but the viability of those applications would be greatly enhanced if they were matched with applications regarding middle-mile investments. For this reason, Global Crossing urges the NTIA and USDA to establish a process whereby last-mile providers and middle-mile providers can be paired up in support of a more complete effort to provide broadband service to unserved areas. This would greatly enhance the effectiveness of the BTOP and rural broadband programs and avoid having broadband stimulus monies going to purely speculative ventures that may not advance the goals of the BTOP program or the rural broadband grants and loans programs.

As the NTIA and USDA make available the list of applicants to the BTOP and rural broadband programs, Global Crossing recommends that the lists be categorized geographically and functionally. This will allow applicants, or prospective applicants, to more easily identify potential synergistic applications. Parties should then be able to request that their application be considered in conjunction with each other. In effect, NTIA and USDA would be creating an information exchange and facilitating the sort of deal-making that is so difficult to achieve at this point due to a lack of information about potential applicants and a lack of transparency into the business plans of potential applicants. NTIA and USDA would of course have to weigh the synergistic opportunities as part of their evaluation of the applications and even allow for a period during which applicants could revise their applications to acknowledge the synergistic opportunities with other applicants, something Mr. Seifert contemplated in his testimony.³

Global Crossing believes that proceeding in this fashion will result in a more comprehensive, and less speculative, deployment initiative, reduce waste, and deliver

³ See, Testimony of Mark G. Seifert at p. 11.

more broadband capabilities to a greater number of consumers. For these reasons, Global Crossing urges the NTIA and USDA to consider this recommendation.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Kouroupas". The signature is fluid and cursive, with the first name "Paul" and last name "Kouroupas" clearly distinguishable.

Paul Kouroupas
Vice President, Regulatory Affairs